



Sector Leaders

Software

Solar

Semis

Stock Gainers

COIN 9%

RBLX 9%

HQY 6%

NFE 5%

S 5%

CHWY 6%

Volatility Gainers

- BYND
- UPST
- SEAS
- SGEN
- VERU

High Call Volume

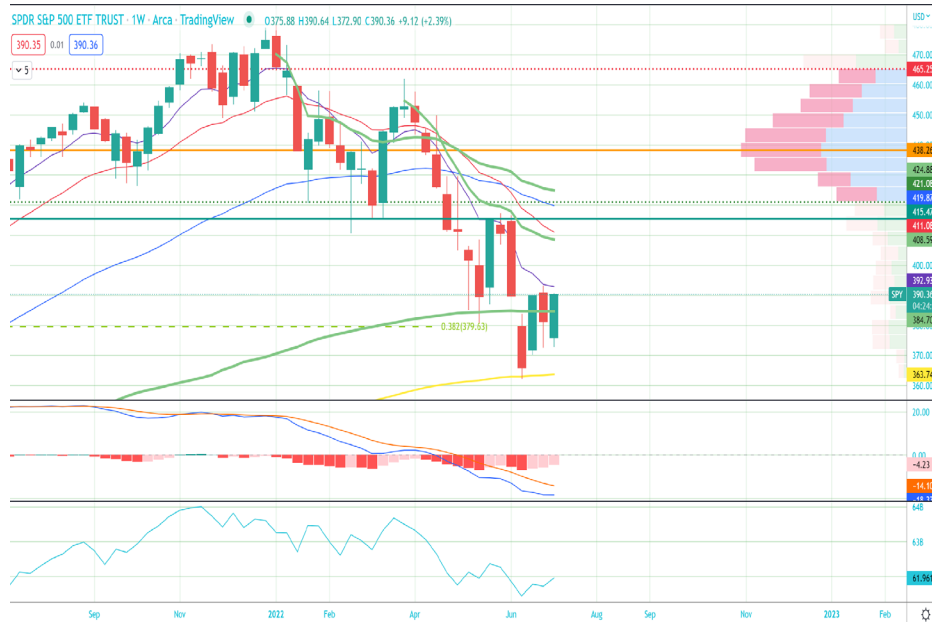
- SWIR
- EWC
- TXRH
- OPRX
- NTNX

Bullish Options

- TWTR
- AMGN
- SWIR
- MS
- TECK
- SE
- WDC
- CI
- META
- UNH
- IRTC

Market Review: Stocks were lower overnight without much incremental news and then moved lower as the US jobs report came in extremely strong which the market interpreted as the Fed can remain aggressive with the strong employment market and odds of a 75bps hike in July rose according to Fed Swaps. Opening hour weakness was quickly bought up with the market in a NYSI bull signal and led by Tech once again though breadth started to roll lower midday. Tech led strength with Semis continuing to recover and Software strong while Solar/Biotech growth areas also climbed. Bonds were down sharply while Transports and Metals the main lagging sectors. All eyes will be on inflation data next week and then we enter earnings season, both the Nasdaq and S&P bouncing strong off the 200-week EMA to start 2H22.

S&P Chart:



Resistance	Support
3900	3800
3950	3700
4015	3500

Options Action Trends: Bears took aim at Fintech with put buys in **PYPL, COIN, SQ, UPST**.

What's On Tap: Earnings season kicks off though still a light schedule led by UNH, PEP, JPM, WFC, BAC, MS, BLK, C, PNC, FAST, STT, DAL. On the economic side we get China Trade Balance Tuesday night, US Inflation on Wednesday/Thursday, and Retail Sales & Consumer Confidence on Friday.

Trade Tracker Portfolio Changes:

- 1) No Changes

Sector Laggards

Bonds

Transports

Metals

Stock Losers

CERE -4.5%

GDS -4.5%

SLGN -4.1%

TWTR -4%

TECK -3.7%

DQ -3.5%

Volatility Losers

- PBR
- LEVI
- IRTC

High Put Volume

- IP
- SIGA
- DBX
- HSBC

Bearish Options

- PDD
- MU
- SEAS
- F
- MPW
- SQ
- PYPL
- ESTC
- ILMN
- COST
- UPST
- COIN
- AMC
- IBM
-



FEATURED OPTIONS RADAR REPORT



Unusual Bull Trade in International Fertilizer/Lithium Producer

Ticker/Price: SQM (\$89.1)

Analysis:

Sociedad Minera (SQM) large trade on 7/7 bought 1450 September \$100 calls to open up to \$4.20, and the only other notable open interest the December \$80/\$125 strangles were sold tied to a long stock purchase. SQM has pulled back the last few weeks with commodities but for now holding its rising 21-week moving average and recently retested a former breakout with an orderly pullback. SQM can start another run on a move above \$95. SQM is the world's largest producer of potassium nitrate and iodine and one of the world's largest lithium producers. SQM also produces specialty plant nutrients, iodine derivatives, lithium derivatives, potassium chloride, potassium sulfate and certain industrial chemicals (including industrial nitrates and solar salts). Its products are mainly derived from mineral deposits found in northern Chile. Specialty plant nutrients are premium fertilizers that enable farmers to improve yields and the quality of certain crops. Iodine and its derivatives are mainly used in the X-ray contrast media and biocides industries and in the production of polarizing film, which is an important component in LCD screens. Lithium and its derivatives are mainly used in batteries, greases and frits for production of ceramics. SQM has a market cap of \$22.2B and trades 2.7X FY23 EBITDA with an expected 10% FCF yield while offering a 3.6% dividend yield. SQM revenues are seen rising 192% in 2022 and another 8% in 2023 with EBITDA growth of 300% seen for FY22. SQM had a ROCE of 11.4% last year and operates with strong FCF margins and near 40% EBITDA margins while Net Debt to EBITDA is 0.56X. According to the CEO of SQM, operations in Chile will continue to grow beyond the already announced expansion to 210kt, which is on track to delivered by mid-2023. In Australia, the CEO sees potential to double production at Mt. Holland from initial 50kt to 100kt in the short-term and is looking at further growth opportunities. Analysts have an average target of \$100 with short interest just 2% of the float. Deutsche Bank out positive this week with a \$105 lowered target citing a positive pricing environment to remain in place.

Hawk Vision:



Hawk's Perspective: SQM trades at a discount due to political risks and has been posting impressive numbers but is exposed to a potential downturn in lithium prices, so the name needs to be traded with strict disciplined stops.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Large Puts Bet Against High Ticker Consumer Products Company

Ticker/Price: PII (\$112.20)

Analysis:

Polaris (PII) with 3000 August \$110 puts bought in a large trade on 7/7 ahead of earnings 7-26 and still has 2750 September \$100 puts in open interest from a trade 6/30. The trade happened as PII made a strong move this week and runs into a downward sloping 200-day moving average and the upper-end of a multi-month range. PII remains in a downtrend off the highs and VWAP off those highs near \$118 but shares based for a few weeks on a major VPOC at \$95 and weekly MACD has crossed bullish. PII designs, engineers and manufactures powersports vehicles which include, Off-Road Vehicles (ORV), including All-Terrain Vehicles (ATV) and side-by-side vehicles for recreational and utility use, Snowmobiles, Motorcycles, Global Adjacent Markets vehicles, including Commercial, Government and Defense vehicles, and Boats. PII has a market cap of \$6.35B and trades 9.9X Earnings, 7.7X EBITDA and 0.77X Sales with a 2.36% dividend yield and 8% FCF yield. PII revenues are seen rising 11.5% in 2022 with just 2.6% EBITDA growth and although shares are cheap on valuation, estimates may need to come down for mounting headwinds. PII is a high ROIC name hitting 18.7% last year as a five-year high but a low margin name with 12.77% EBITDA margins seen moving to 11.75% this year. PII's Net Debt to EBITDA stands at 1X. PII faces weakening consumer demand coming off pandemic-driven buys across many of its segments that have long replacement cycles while the consumer spending environment will be more challenged for its high ticket items. It also faces rising costs for parts/labor and supply chain bottlenecks. Polaris is targeting MSD% growth to 2026 and has identified a current market opportunity of \$55B with an addressable market of \$130B-\$160B. Margins remain the focus, though, and expansion of EBITDA margins can stem from: price, alleviation of elevated freight spot costs and commodity costs, as well as reducing expedition freight costs. Other margin drivers can come from modular changes to vehicles, absorbing fixed costs with operating leverage, portfolio optimization (divestitures), on-road (motorcycle) & aftermarket (TAP business) segment profitability improvements, and potential actions for tariff mitigation. Analysts have an average target of \$121 and short interest elevated above 8% of the float. Jefferies recently started shares Hold on consumer concerns and supply chain issues. DA Davidson noted in May channel checks show PII losing market share and sees risks to earnings, margins and sales in coming quarters.

Hawk Vision:



Hawk's Perspective: PII has the makings of an earnings loser this quarter, expect it to come up short on margins and sales.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



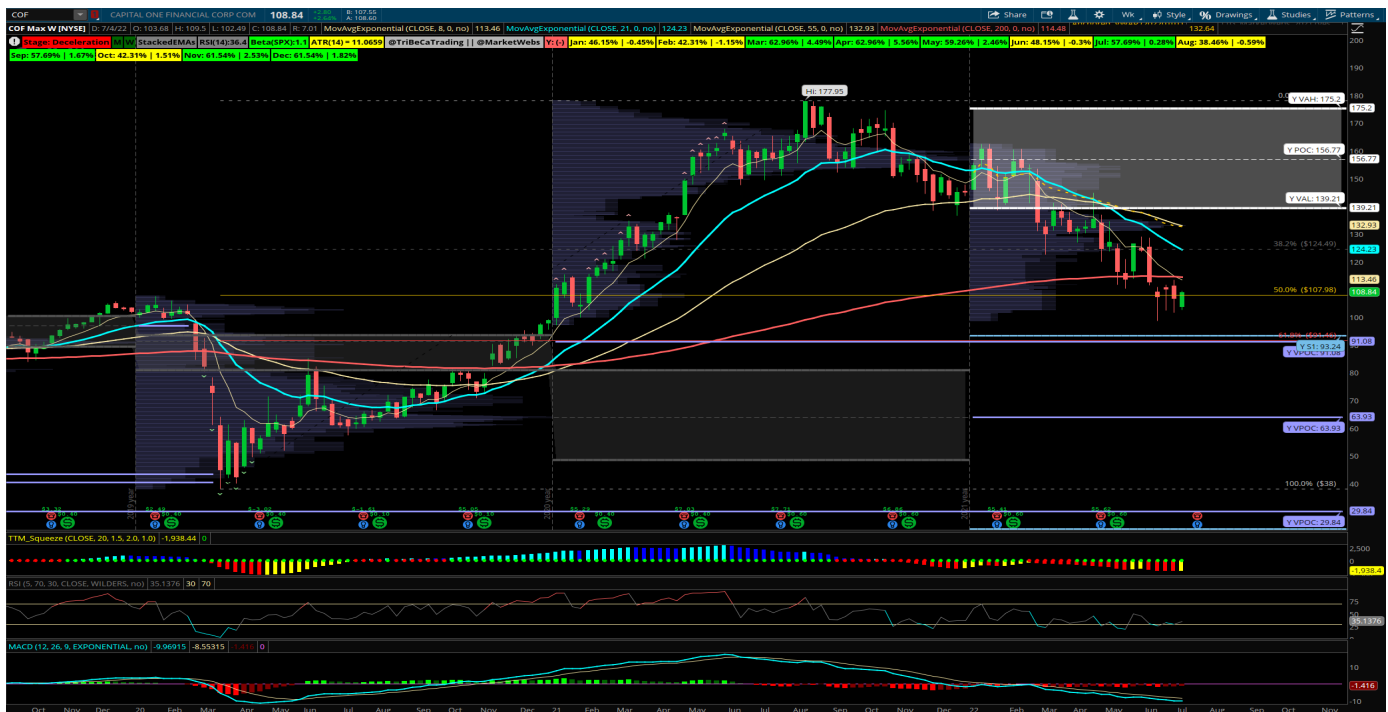
Call Buyer Sees Rebound Due for Financial at Support

Ticker/Price: COF (\$108.84)

Analysis:

Capital One Financial (COF) with a large call buyer on 7/7 for 1,085 in-the-money October \$100 calls at \$14.80 for more than \$1.5M bought. COF also recently on 5/18 with an opening put seller in January 2024 \$115 puts sold to open at \$19.50 for \$3M in premium. Also, back in April a large put seller in December \$120 puts sold at \$7.50 currently underwater but still in open interest confident in being long at 120. Shares are testing its 50% retracement of 2020 lows to 21 highs and the pre-Covid highs also at the 105 level. The stock has been holding these levels for 4 weeks now and looks ready to rebound back to the 21-week EMA on a bounce which could take it to 124 and above that is YTD VWAP near 130. RSI is showing bullish divergence on the weekly chart and MACD starting to curl higher showing selling momentum slowing. The \$48.2B company trades 5.6x earnings and 1.4x EV/sales with a FCF yield of 19% with a 2.2% dividend yield. COF is estimated to grow revenues +7% in FY23 while seeing +5.3% sales growth in FY24. Capital One is a diversified financial services holding company and offers a range of financial products and services to consumers, small businesses and commercial clients through digital channels, branches, cafes and other distribution channels. Its segments include Credit Card, Consumer Banking and Commercial Banking. Last quarter COF beat on both EPS and Revenues and forecasted a 10.3% increase in sales for FY22. Average analyst target is \$168 with a Street high of \$207. In late June, Baird upgraded the stock to Outperform and a price target of \$145 and citing the relentless panic selling providing opportunity, risk/reward finally looking attractive for banks and card names. From their perspective, the recent crash in banks is providing an opportunity to add exposure to the group. In late March, Citi assumed coverage of the stock with a Buy rating and \$189 target stating rising credit card and auto loan growth provides a boost to revenues and significant investment in overhauling its technology infrastructure should pay dividends in years ahead. Short interest is low at 1.8%. Hedge fund ownership fell 6.2%.

Hawk Vision:



Hawk's Perspective: COF is holding a key level at 105 but this week's lows near 102.50 a better level to trade against if looking long. Closing above 110 at the 21 EMA can start to see momentum higher to 117.50.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

Ark Innovation (ARKK) into early lows an opening sale 7500 January \$45 puts for \$7.40, big base and 55-ma breakout this week.
ARKK sweep buys 14,000 August \$42 puts \$1.97 into rally

Russell (IWM) stock replacement opens 2500 November \$175 calls for \$11.46

Nasdaq (QQQ) buyer 12,500 October \$280/\$250 put spreads for \$6.75 today

Consumer Goods

Costco (COST) buyers of 835 January \$415 puts for \$12.65

Abercrombie (ANF) buyer of 1,250 September \$16 puts at 1.35 tied to long stock

AllBirds (BIRD) unusual buy 10,000 Dec. \$7.50 calls for \$0.55, footwear Co. that came public at the wrong time but trades 2.9X cash

Consumer/Business Services

Pinduoduo (PDD) buyer 1000 Aug. 5th (W) \$60 puts \$4.60. **PDD** buy write sells 1000 June 2023 \$95 calls for 7.50

SeaWorld (SEAS) buyer 1000 July \$45 puts for 1.65 with weak June theme park trends

Chewy (CHWY) buyer 3000 September \$45 puts, stock tied. **CHWY** 3500 October \$25 puts sold to open 1.13

Shopify (SHOP) buyers 3850 August \$35 puts \$3.50, another OI check Monday

Penn Gaming (PENN) seeing 2000 January 40 calls sell to open for 2.90

AMC buyer 1750 Dec 12 puts 2.93

Airbnb (ABNB) with 1100 August 95 puts bought into rally \$7.50 to \$7.75

Energy

Financials

Visa (V) buyer 1000 August \$210/\$195 strangles for \$11.84

Block (SQ) buyer 2800 August \$65 puts for 7.10. **SQ** also 2500 January \$95 calls bought \$5.20 to \$5.35. **SQ** also large buyer 1500 Aug. 5th (W) \$60 puts \$7.25

Morgan Stanley (MS) with 1200 August \$75 calls bought \$4.0 as July 70 adjust

PayPal (PYPL) buyer 1000 July 22nd (W) 74 puts for 3.15. **PYPL** also with 1000 Jan. 2024 82.50 calls selling to open 16.30

Goldman (GS) with 750 June 2023 \$220 puts selling to open \$10.90 to \$10.75

Upstart (UPST) buyer 4000 January \$20 puts \$5.50, will confirm OI change Monday

Coinbase (COIN) buyer 2900 September \$60 puts for \$11.60 as seeing a lot of Fintech put buys into rallies

Healthcare

Amgen (AMGN) early buyer of 1000 August \$250 calls up to \$7.50

Medical Properties (MPW) with 4000 August 15/11 put spreads bought

CIGNA (CI) buyers 575 September \$300 calls \$6.50 to \$7.30 as continues to trade great since write up two weeks ago

Illumina (ILMN) bear flow with 450 August \$200 calls sold to open \$16.30 to \$16

United Health (UNH) opening seller 400 Sep. \$530 puts for \$25.80

Industrials

Materials

International Paper (IP) buyer of the August \$40/\$35 put ratio spread 3000X6000

Tech

Twitter (TWTR) buyer 1250 Aug. 5th (W) \$35 calls \$3.50 into weak open on deal concerns. **TWTR** also buyer 1000 Aug 37 calls for 3.35

Sierra Wireless (SWIR) buyer 3500 September \$22.50 calls \$3.80 as some 17.5 calls adjust

Sea (SE) with 1000 July 22nd (W) \$76 calls opening at \$6

Elastic (ESTC) August IV plunging with 1380 of the \$80 calls selling to open 7.10

Western Digital (WDC) running with 8000 September 60 calls bought 0.45 with potential breakup catalyst still hanging out there

Meta (META) with 1425 Dec. \$190 calls opening near \$16

Zoom (ZM) with its breakout saw 4000 July \$135 short-term far OTM calls buy in sweeps up to 0.85

IBM dipping with 7000 September \$140 puts bought \$6.65 into 7-18 earnings, name that could see impact of weakening PC trends

DocuSign (DOCU) on OI checks Monday with 1600 Sep. 70 puts trading \$10.75, database shows OI originally bought 6/23 as stock tied

Communications/Utilities

Dish (DISH) buyers 4500 July \$19 calls here \$0.45. **DISH** also trading 5000 each July 18 and 17 puts now

Disclaimer:

Not Investment Advice or Recommendation

Any descriptions "to buy", "to sell", "long", "short" or any other trade related terminology should not be seen as a recommendation. The Author may or may not take positions in any of the names mentioned, and is not obligated to disclose positions, nor position sizes.

Content is for informational and educational purposes only and is not to be construed as specific investment advice or recommendations. You alone will need to evaluate the merits and risks associated with the use of this content. Decisions based on information provided are your sole responsibility, and before making any decision on the basis of this information, you should consider (with or without the assistance of a financial and/or securities adviser) whether the information is appropriate in light of your particular investment needs, objectives and financial circumstances. Investors should seek qualified professional financial advice regarding the suitability of investing in any securities or following any investment strategies.

No reference to any specific security constitutes a recommendation to buy, sell or hold that security or any other security. Nothing constitutes investment advice or offers any opinion with respect to the suitability of any security, and the views expressed on this website should not be taken as advice to buy, sell or hold any security. In preparing the information contained in this website, OptionsHawk has not taken into account the investment needs, objectives and financial circumstances of any particular investor. This information does not consider the specific investment objectives, financial situation and particular needs of any specific recipient of this information and investments discussed may not be suitable for all investors